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WAUKEGAN — Mayor Richard Hyde and city officials put a positive face on the rejection of Waukegan's casino bid Monday night.

"Today was a major blow to us all but ... this was only one project," said Hyde, speaking at a City Council meeting after the Illinois Gaming Board decision. "There are numerous other projects under way or that will be announced soon that were never tied to us getting the casino license.

The mayor called the casino "Plan B. The harbor is Plan A," he said.

"This makes the harbor redevelopment all the more important," said U.S. Rep. Mark Kirk, R-Highland Park, when he learned of Waukegan's loss.

"I agree, the harbor is Plan A. The long-term future of Waukegan is the harbor," he said.

Kirk and Hyde were slated to meet today in Kirk's Deerfield office to discuss harbor cleanup work with officials of the U.S. Environmental Protection Agency and U.S. Army Corps of Engineers.

"We should focus on what we always knew our future was," Kirk said. "I don't see any down side to this. To execute the harbor plan, we have to clean up the environment. That's good."

At the same time, Hyde said the battle over the state's last casino license isn't over. "This is not the end," the mayor said. "This is not done, not by a long shot ... We're getting together tomorrow to figure out our next step."

"We're Bulldogs," said 1st Ward Ald. Sam Cunningham. "We're tough. We've been hit before

but in the end we'll prevail. That's the attitude we need to have. This is not the end. We're going to be alright.""

Aldermen all but called for an investigation of the Gaming Board.

"This is no surprise to me," said 2nd Ward Ald. John Balen. "I predicted why we wouldn't get it."

Balen suggested Waukegan didn't get the casino license because the city doesn't have the political clout of Rosemont. "It's obvious why we didn't get it," he said.

The casino licenses were created "to help communities like Waukegan and along comes Rosemont with an abundance of jobs and revenue," observed 4th Ward Ald. Tony Figueroa. "What's clear is what we have here is special interests involved."

Despite their obvious disappointment over the casino, aldermen forged ahead with some of the other projects mentioned by Hyde.

The City Council unanimously approved borrowing \$17.7 million to build a new downtown parking garage and to complete the Genesee Theatre restoration project.

The parking lot loan, a revenue bond issue, totals \$8,245,000 to be paid back with parking fees and a portion of sales tax revenue.

The Genesee loan is a general obligation bond issue. The plan calls for adding \$5 per Genesee ticket to pay off the bond issue.

The council got some good news from City Clerk Wayne Motley. Metra is contributing \$30,000 to pay for installation of video surveillance cameras in Metra commuter station parking lots. The